

SECTION 1-04, SCOPE OF THE WORK

December 2, 2002

1-04.4 Changes

The fifth paragraph is revised to read:

For Item 2, if the actual quantity of any item, exclusive of added or deleted amounts included in agreed change orders, increases or decreases by more than 25 percent from the original plan quantity, the unit contract price for that item may be adjusted in accordance with Section 1-04.6.

1-04.6 Increased or Decreased Quantities

This section is revised to read:

Payment to the Contractor will be made only for the actual quantities of work performed and accepted in conformance with the contract. When the accepted quantity of work performed under a unit item varies from the original proposal quantity, payment will be at the unit contract price for all work unless the total accepted quantity of any contract item, adjusted to exclude added or deleted amounts included in change orders accepted by both parties, increases or decreases by more than 25 percent from the original proposal quantity. In that case, payment for contract work may be adjusted as described herein:

The adjusted final quantity shall be determined by starting with the final accepted quantity measured after all work under an item has been completed. From this amount, subtract any quantities included in additive change orders accepted by both parties. Then, to the resulting amount, add any quantities included in deductive change orders accepted by both parties. The final result of this calculation shall become the adjusted final quantity and the basis for comparison to the original proposal quantity.

1. Increased Quantities.

Either party to the contract will be entitled to renegotiate the price for that portion of the adjusted final quantity in excess of 1.25 times the original proposal quantity. The price for excessive increased quantities will be determined by agreement of the parties, or, where the parties cannot agree, the price will be determined by the Engineer based upon the actual costs to perform the work, including reasonable markup for overhead and profit.

2. Decreased Quantities.

Either party to the contract will be entitled to an equitable adjustment if the adjusted final quantity of work performed is less than 75 percent of the original bid quantity. The equitable adjustment shall be based upon and limited to three factors: 1. Any increase or decrease in unit costs of labor, materials or equipment, utilized for work actually performed, resulting solely from the reduction in quantity; 2. Changes in production rates or methods of performing work actually done to the extent that the nature of the work actually performed differs from the nature of the work included in the original plan; and 3. An adjustment for the anticipated contribution to unavoidable fixed cost and overhead from the units representing the difference between the adjusted final quantity and 75% of the original plan quantity.

The following limitations shall apply to renegotiated prices for increases and/or equitable adjustments for decreases:

1. The equipment rates shall be actual cost but shall not exceed the rates set forth in the AGC/WSDOT Equipment Rental Agreement (referred to in Section 1-09.6) that is in effect at the time the work is performed.
2. No payment will be made for extended or unabsorbed home office overhead and field overhead expenses to the extent that there is an unbalanced allocation of such expenses among the contract bid items.
3. No payment for consequential damages or loss of anticipated profits will be allowed because of any variance in quantities from those originally shown in the proposal form, contract provisions, and contract plans.
4. The total payment (including the adjustment amount and unit prices for work performed) for any item which experiences an equitable adjustment for decreased quantity shall not exceed 75% of the amount originally bid for the item.

If the adjusted final quantity of any item does not vary from the quantity shown in the proposal by more than 25%, then the Contractor and the Contracting Agency agree that all work under that item will be performed at the original contract unit price and within the original time for completion.

When ordered by the Engineer, the Contractor shall proceed with the work pending determination of the cost or time adjustment for the variation in quantities.

The Contractor and the Contracting Agency agree that there will be no cost adjustment for decreases if the Contracting Agency has entered the amount for the item in the proposal form only to provide a common proposal for bidders.

1-04.7 Differing Site Conditions (Changed Conditions)

This section is revised to read:

During the progress of the work, if preexisting subsurface or latent physical conditions are encountered at the site, differing materially from those indicated in the contract, or if preexisting unknown physical conditions of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in the work provided for in the contract, are encountered at the site, the party discovering such conditions shall promptly notify the other party in writing of the specific differing site conditions before they are disturbed and before the affected work is performed.

Upon written notification, the Engineer will investigate the conditions and if he/she determines that the conditions materially differ and cause an increase or decrease in the cost or time required for the performance of any work under the contract, an adjustment, excluding loss of anticipated profits, will be made and the contract modified in writing accordingly. The Engineer will notify the

1 Contractor of his/her determination whether or not an adjustment of the contract
2 is warranted.
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4 No contract adjustment which results in a benefit to the Contractor will be
5 allowed unless the Contractor has provided the required written notice.
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7 The equitable adjustment will be by agreement with the Contractor. However, if
8 the parties are unable to agree, the Engineer will determine the amount of the
9 equitable adjustment in accordance with Section 1-09.4. Extensions of time will
10 be evaluated in accordance with Section 1-08.8.
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12 If the Engineer determines that different site conditions do not exist and no
13 adjustment in costs or time is warranted, such determination shall be final as
14 provided in Section 1-05.1.
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16 If there is a decrease in the costs or time required to perform the work, failure of
17 the Contractor to notify the Engineer of the differing site conditions shall not
18 affect the Contracting Agency's right to make an adjustment in the costs or time.
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20 No claim by the Contractor shall be allowed unless the Contractor has followed
21 the procedures provided in Section 1-04.5 and 1-09.11.